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CHESTERFIELD COUNTY

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January 1, 2008

IMPORTANT CAR TAX INFORMATION ON REVERSE

Dear Friends:

I am pleased to report a number of accomplishments over the past year:

- **The most important advancement in our service to you is our ability, in partnership with the County Treasurer, to provide Virginia Department of Motor Vehicles services through the department's DMV Select Program. Since late August we have had the ability to assist you with DMV needs such as vehicle titling, annual tag renewals, driver transcripts, handicap placards, etc. We do not handle driver license testing or issuing. No additional staff was hired to offer this new service. In fact, the DMV is paying a commission to the county for the services we are providing.**
- We continue to surprise our customers/citizens by having a friendly, live voice answer our telephones. We continue to enjoy 99% Excellent/Good ratings for our customer service.
- Our standardized business audit process has found that many Chesterfield businesses accurately file their local license and property taxes. Our business audits have generated over \$3,000,000 during calendar year 2007. This activity helps avoid future tax rate increases and ensures a fair and equitable distribution of the local tax burden.
- Our use of technology has been enhanced this year with the ability to digitally image many of our records. We are well on our way to having all of our records digitally imaged. To protect the confidentiality of your records, we are handling the scanning with Commissioner staff only.
- I am proud to report that ten of my employees have earned the professional designation of Master Deputy Commissioner.

For 2008, there have been changes to the requirements for qualification for our Real Estate Tax Relief for the Elderly/Disabled Program that may allow more citizens to qualify.

We have begun work with our Treasurer and Information Systems staff to replace our tax assessment and billing systems. This is an intense process and we look forward to selecting a vendor in the fall of 2008.

Tax forms, deadlines, and links can be found at: www.chesterfield.gov/comrev.

It is my pleasure to provide you with a well-trained and experienced staff to handle your local and state tax needs. We welcome your comments and suggestions.

Sincerely,

Joe Horbal

PLEASE READ REVERSE SIDE



CAR TAX RELIEF

- The personal property tax relief for *qualifying vehicles* for tax year 2008 will take the form of a reduction in the tax due. The reduction will be displayed on the personal property tax bill.
- For vehicles having assessed values of \$1,000 or less, there will be no personal property tax due.
- A non-transferable, non-refundable, non-prorated registration fee of \$20.00 will apply to all motor vehicles, a fee of \$6.50 will apply for all trailers, and a fee of \$10.00 will apply for all motorcycles.
- For 2008, the relief amount for vehicles with assessed values between \$1,001 and \$20,000 will be set by the Board of Supervisors sometime after March 1, 2008. The relief amount will be shown as a subtraction on the bill.

QUALIFYING VEHICLE

“Qualifying vehicle” means any passenger car, motorcycle, and pickup or panel truck, as those terms are defined in VA Code § 46.2-100, that is (i) privately owned, or (ii) leased pursuant to a contract requiring the lessee to pay the tangible personal property tax on such vehicle and used for non-business purposes.

BUSINESS USE? (NONQUALIFYING VEHICLE)

If you can answer YES to any of the following questions, your motor vehicle is considered by Virginia law to have a business usage and you must check the “business” block in the second column of the enclosed tax return for the applicable vehicle.

- Is the motor vehicle expensed on your federal income tax return pursuant to Internal Revenue Code § 179 [which, by definition requires, 50% or greater business use]?
- Is more than 50% of the basis for depreciation of the motor vehicle depreciated for federal income tax purposes?
- Is the allowable expense of total annual mileage in excess of 50% deductible for federal income tax purposes or reimbursed pursuant to an arrangement between an employer and employee?
- Is the vehicle leased by a natural person and used for non-business purposes, and through a contractual agreement with the leasing company, the person is **NOT** required to reimburse the leasing company for personal property taxes that it pays on the vehicle?

SOLD / DISPOSED / MOVED VEHICLE?

In the last column of the tax return, mark sold or moved and indicate the date. Automobile dealers do not notify DMV when a vehicle is traded in. It is the vehicle owner’s responsibility to notify DMV when a motor vehicle is sold, disposed, or moved. Call DMV at (804) 367-0538 to provide accurate dates of disposal or relocation.

ASSESSMENT METHOD FOR LOCAL MOBILE PROPERTY

Aircraft – Aircraft Bluebook Digest – Average Wholesale value

Boats, Campers, Recreational Vehicles, and Trailers – Percentage of Original Cost

If you wish to appeal your assessment, you must contact the Commissioner’s office and provide supporting documentation regarding original cost or current condition.

MOTOR VEHICLES SPECIALLY EQUIPPED FOR HANDICAPPED USAGE

If you own a motor vehicle that is specially equipped to provide transportation for physically handicapped individuals, you may qualify for a lower tax rate in 2008. Please mark any vehicle on the enclosed form that may qualify. You will be required to provide evidence that the vehicle has been so modified.